

May 19, 2016
Maine Milk Commission Meeting Minutes
Marquardt Building, Room 332
Augusta, Maine 04333

Notices for the May 19, 2016 meeting were distributed to Commission members, intervenors and other interested parties on April 21, 2016 and sent to the Secretary of State's Office for posting on April 21, 2016.

Commission Present: Mike Wiers, Colon Durrell, Richard Cook and Matt Randall

Commission Absent: Stan Millay

Department Officials: Ellis Additon, Bureau Director

Staff Present: Tim Drake, Executive Director and Carol Gauthier, Office Associate

Legal Counsel: Not present

Others Present: John Blake, H.P. Hood, Julie-Marie Bickford and Dale Cole, MDIA, Bruce Shucker, Hannaford, Jim Lesser of Oakhurst Dairy, Clayton Davis, DFA/DMS, Shelley Doak, MGFPFA, Cheryl Beyeler, MDPB/MD&NC and Mary Frank member of the public.

Chairman Wiers called the meeting to order at 10:35 a.m.

Agenda Item 1: Minutes: Richard Cook made a motion to accept the minutes of the April 21, 2016 meeting as presented. Colon Durrell seconded the motion. Motion passed 3-0.

Agenda Item 2: Lauren Parker, Assistant Attorney General: Nothing to report.

Agenda Item 3: Minimum Prices:

Tim Drake reported a prevailing premium of \$1.10/cwt. on Class I for June 2016, Dairy Marketing Services (DMS). In addition to this premium, DMS reported that an additional \$0.38/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in effect; this is a decrease of \$0.05/cwt from previous months. Agri-Mark reported total premiums remain unchanged for June. Federal Order One Class I price for June is \$16.39, a decrease of \$0.56/cwt. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.45/cwt. He stated that this price schedule was for informational purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked for testimony.

Julie Marie Bickford stated that we were seeing some interesting dynamics in the market, a decrease in the Class I price is troublesome but the \$14.85 blend price for April is more problematic as it indicates what the farmers are getting paid. She said that farmers are thankful for the state "tier program" but the cost of production numbers had not been increased for the past two sessions. This month's decision by DFA/DMS to reduce their Rbst free premiums is the second time this happened in the past few months. She urged the Commission to consider using the COPA as a means of mitigating these reductions in premiums.

Bob Wellington agreed with what Julie Marie stated and said that the situation will not be getting any better in the near future, cheese fell \$1/lb. recently. He hoped that this will be only temporary.

Dale Cole stated that dairy farmers continue to take hits but consumer prices have not been affected at all to date.

Shelley Doak, MGFPFA, asked if the \$1.53 Commission premium reflected the drop in rBST free premiums.

Tim Drake replied that it did not.

Dale Cole asked if rBST free affidavits are still required of farmers.

Bob Wellington stated that they were still required.

Mr. Cole asked if consumer prices reflected nonuse of rBST.

Bob Wellington answered no.

Richard Cook asked if farmers would start using rBST if no premium was paid for nonuse.

Dale Cole stated that he felt farmers wanted to do what the market demands but felt that they should be paid for this.

John Blake stated that the adjustment for Maine conditions was easy to look at.

Colon Durrell then made a motion to accept order #06-16 with a producer margin of \$1.58/cwt. and a Commission premium of \$1.53/cwt.

Richard Cook seconded the motion.

Chairman Wiers called for a vote on the motion. The motion passed 3-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for May 2016 which showed retail prices for Augusta, Brunswick, Topsham, Bangor, Brewer, South Portland, Scarborough, Saco and Biddeford. The IAMCA survey was not available.

Agenda Item 5: Next Scheduled Meetings:

- June 23, 2016, 10:30 a.m. Room 329, Marquardt Building, Department of Agriculture, Conservation & Forestry, Augusta ME
- July 21, 2016, 10:30 a.m. Room 332, Marquardt Building, Department of Agriculture, Conservation & Forestry, Augusta ME
- August 18, 2016, 10:30 a.m. Room 332, Marquardt Building, Department of Agriculture, Conservation & Forestry, Augusta ME
- September 22, 2016, 10:30 a.m. Room 329, Marquardt Building, Department of Agriculture, Conservation & Forestry, Augusta ME

Agenda Item 6: Other:

- A. **Monthly Financial Report:** The FY 16 report was reviewed.
- B. **Bob Wellington, Market Conditions:** Bob gave a report on the current market conditions and answered many questions from the audience and Commission members.

Agenda Item 7: Executive Session: None

Adjourned: Adjourned; 11:14 a.m. May 19, 2016.
Tim Drake, Maine Milk Commission